

NSC BRIEFING

25 February 1968

KOREA

- I. Communists moving ahead with diplomatic and propaganda offensive.
 - A. North Korea called meeting of Military Armistice Commission on 24 Feb. to reiterate Pyongyang's proposals for a Korean settlement (see attachment).
 - B. *North Koreans* ~~have~~ asserted that ChiCom troops have begun their withdrawal (scheduled to be completed by end of year).
- II. A major Communist objective appears to be elimination of US atomic capability in South Korea and suspension of the military modernization program underway there.
 - A. In endorsing North Korean proposals Moscow issued statement on 20 Feb urging that Korea be made an atom- and missile-free zone. Also asked for North-South agreement to renounce force.
 - B. Troop withdrawal announcement also appears to be bid for Chinese participation in summit or other international talks.
 - 1. Soviet 20 Feb statement calls for "conference of interested states" to discuss Korea.
 - 2. Chou En-lai has affirmed Peiping's willingness to "make positive efforts and assume corresponding obligations" in connection with Soviet summit proposals.
 - 3. Early this month, a non-party spokesman in Peiping expressed "hope" that Peiping would take part in summit meeting.

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C. Economy not major consideration but troop withdrawals will serve Peiping's current drive to cut military costs.

1. ChiCom military budget this year down about \$200 million from '57 figure of \$2.2 billion.

III. North Koreans especially interested in North-South negotiations.

- A. Pyongyang anxious to undercut Rhee's contention that ROK is the only Korean govt.
- B. Also hopeful that de facto recognition from Seoul would enhance Pyongyang's international standing.
- C. Pyongyang still refusing to release any of 34 passengers (includes two Americans) aboard the South Korean airliner hijacked on 16 February unless Seoul agrees to negotiate their release directly with Pyongyang.

IV. Communists clearly counting on international support, particularly from neutrals, to add to pressures on US.

- A. Indian Govt was apparently given advance notice of ChiCom withdrawal, and is expected to press--informally at least--for UN withdrawals. Krishna Menon on 17 Feb declared withdrawals would remove one of the deterrents to seating Peiping in UN.
- B. UK believes Commie proposals should not be rejected outright, and is urging early meeting of 16 nations participating in UN Command to coordinate response to the proposals.

V. South Korean reaction is strongly negative, as expected.

- A. Seoul sees ChiCom withdrawals as propaganda trick.
- B. Rhee still insists UN withdrawals must be preceded by UN-supervised elections, the "surrender" of North Korean authority, and disbanding of North Korean army.

C. ROK carrying out maneuvers involving 50,000 troops adjacent to the DMZ and holding mass demonstrations in Seoul in reaction to airliner incident.

1. But Rhee refraining from threats to take violent action.

VI. Communists are wary Rhee might consider Chinese withdrawal as sign of weakness, have warned Chinese will return if hostilities recur.

A. Peiping Radio has hinted that Chinese military equipment will be left behind and transferred to North Korean army.